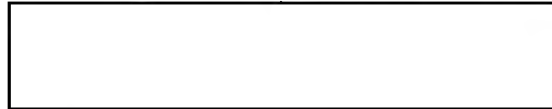


NSC BRIEFING

27 October 1954

COMMUNIST THREAT TO FORMOSA

- I. US protection Formosa almost certainly largest factor in Communist inaction to date.
 - A. Since June '50 "neutralization", Peiping has not repeated earlier "liberation" time-table.
 - B. Promises "liberation" intensified recently, but propaganda implies further preparations necessary.
- II. Sino-Soviet communique (11 October) fails mention "liberation" Formosa: some speculation Peiping tried but failed get Soviet military commitment, but no solid evidence.
 - A. Believe partners agreed postpone attack pending outcome diplomacy.



B. Maneuvers would try force US withdrawal or, at least, completely isolate US as Nationalist supporter.

III. By spring '55, Communists may be ready to try force.

A. Peiping expected use eight armies--400,000 troops--for assault. Now some 470,000 between Shanghai and Canton. Nationalists, in contrast, have about 285,000 effectives.

B. Communist air already superior to Nationalists. By spring '55, probably 950 jet fighters, 175 jet bombers.

C. Communist navy now weak, but almost surely stronger by spring '55. Already have three subs: USSR may be transferring two more



25X1

Approved For Release 2003/08/19 : CIA-RDP79R00890A000400020031-7

subs, two destroyers, two mine-sweepers at Tsingtao, other subs and small craft at Port Arthur. Light cruiser (Chungking) now at Dairen, may be operational by spring.

D. For water-lift, would still need use junks by thousands, which available.

25X1

Approved For Release 2003/08/19 : CIA-RDP79R00890A000400020031-7

25X1

25X1

Approved For Release 2003/08/19 : CIA-RDP79R00890A000400020031-7

iv. On Nationalist side, some possibility dangerous actions, as worries over future accumulate.

A. Nationalist leaders declare "return to mainland" cannot be postponed indefinitely.

B. Might attempt "now or never" involvement US forces in major action with Communists, goad Communists with major raids, increased ship seizures, air attacks.

C. In other direction, Nationalists might despair of "return." Would then become vulnerable to Communist propaganda urging defection, offering amnesty.

vi. Thus far, Nationalists seem all right-- not defying US; not falling for Communist propaganda.

25X1

Approved For Release 2003/08/19 : CIA-RDP79R00890A000400020031-7